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**STEETLEY
INDUSTRIES
LIMITED**

**Annual
Report
1975**



Steetley Industries Limited

Annual Report 1975

Financial Highlights	1975	1974
Dollars in thousands except as indicated*		
Sales	\$ 75,381	\$ 76,397
Net Earnings	\$ 2,143	\$ 3,547
Net Earnings per Common Share		
Before Extraordinary Items	\$ 2.26*	\$ 3.46*
Including Extraordinary Items	\$ 2.26*	\$ 3.73*
Dividends Declared — Per Common Share	\$.72½*	\$.57*
Capital Expenditures	\$ 1,021	\$ 4,775
Depreciation & Depletion	\$ 1,214	\$ 982
Working Capital — Year End	\$ 17,154	\$ 16,025

The Annual Meeting will be held at the Head Office of the Corporation, 605 James Street North, Hamilton, Ontario on Thursday, March 25, 1976 at 10:00 a.m.

STEETLEY INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN
FINANCIAL POSITION

(unaudited)

Six Months Ended June 30th

1975	1974
\$	(restated)
\$	\$

SOURCE OF

WORKING CAPITAL

Earnings for the period before Extraordinary Items	729,386	1,269,472
Charges not requiring cash outlay —		
Depreciation and Depletion	800,302	538,358
Increase in Minority Interest	—	33,863
	<u>1,529,688</u>	<u>1,841,693</u>
Decrease in Mortgages Receivable	820	116,150
Proceeds on Disposal of Fixed Assets	26,300	373,794
	<u>1,556,808</u>	<u>2,331,637</u>

USE OF WORKING
CAPITAL

Payment of Long Term Bank Loan	—	100,000
Purchase of Shares of Subsidiaries	451,152	—
Purchase of Fixed Assets .	828,055	1,910,504
Dividends Paid	356,250	256,500
Decrease in Mortgages Payable	14,840	7,757
Increase in Cash Surrender Value of Life Insurance	6,821	6,471
	<u>1,657,118</u>	<u>2,281,232</u>

Increase (decrease) in Working Capital	<u>(100,310)</u>	<u>50,405</u>
Working Capital — Beginning of Period	16,025,175	9,778,622
Increase (decrease) in Working Capital	<u>(100,310)</u>	<u>50,405</u>
Working Capital — End of Period	<u>15,924,865</u>	<u>9,829,027</u>

INTERIM REPORT

FOR SIX MONTHS ENDED
JUNE 30, 1975

See

Steetley Industries Limited





TO OUR SHAREHOLDERS:

The second quarter results although 38% ahead of those recorded in the first quarter of 1975 are still considerably below those of the same period in 1974.

Canada's soft economy is now having an effect on all companies and divisions in the Group, but is more severe in Western Canada where we have substantial operations at Fleck Bros. Limited and Gough & Company Ltd.

The depressed construction industry is affecting most of our businesses although housing starts have shown some improvement recently.

The new branches recently opened by Fleck Bros. in Calgary and Edmonton are performing according to budget and will be a solid foundation for future growth, in line with our long term objectives.

Inventory levels are being strictly controlled and total inventories have been reduced by over \$600,000 in the last two months with further reductions planned.

Depreciation increased by \$262,000 from last year mainly due to the new crushing and screening plant at Canada Crushed Stone.

Six month's debenture interest totalling \$476,000 on the \$8,000,000 debentures issued at the end of December 1974 has been deducted in arriving at earnings from operations. These funds were used to finance the plant noted above and to reduce current bank loans.

The last six months' results are historically more profitable and we forecast some improvement in the second half, but not sufficient to equal the record earnings produced in the second half of 1974.

CONSOLIDATED STATEMENT OF EARNINGS

(Unaudited)

	<u>Six Months Ended June 30th</u>	
	<u>1975</u>	<u>1974</u>
	\$	\$
Sales	<u>37,143,702</u>	<u>36,315,092</u>
Earnings from Operations Before the following Charges	2,253,307	3,128,037
Depreciation and Depletion	<u>800,302</u>	<u>538,358</u>
Earnings from Operations	1,453,005	2,589,679
Investment Income	<u>82,277</u>	<u>64,474</u>
	1,535,282	2,654,153
Provision for Income Taxes	<u>783,000</u>	<u>1,322,300</u>
	752,282	1,331,853
Minority Shareholders' Interest	<u>22,896</u>	<u>62,381</u>
Earnings Before Extraordinary Items	<u>729,386</u>	<u>1,269,472</u>
Extraordinary Items — Gain on Sale of Properties Net of Income Tax	13,329	255,430
NET EARNINGS FOR SIX MONTHS	<u>\$ 742,715</u>	<u>\$1,524,902</u>
Earnings per Common Share		
Before Extraordinary Items	<u>77 cents</u>	<u>\$1.34</u>
Extraordinary Items	<u>1 cent</u>	<u>.27</u>
Including Extraordinary Items	<u>78 cents</u>	<u>\$1.61</u>

J. S. SPEARING
President and
Chief Executive Officer



Steelley Industries Limited

Directors, Executive Officers and Other Executives

Directors H. M. Griffith, Toronto, Ontario
D. H. Henderson, Hamilton, Ontario
T. E. Ladner, Q.C., Vancouver, British Columbia
J. Laird, Worksop, Notts, England
C. W. Lewis, Q.C., Toronto, Ontario
P. Roberts, Worksop, Notts, England
H. Smith, London, England
J. S. Spearing, F.C.A., Hamilton, Ontario

Executive Officers J. Laird, Chairman of the Board
J. S. Spearing, President & Chief Executive Officer
H. E. Baker, F.C.A., Secretary-Treasurer

Other Executives **HEAD OFFICE**

J. A. Gabriel, C.A., Chief Financial Officer
D. R. Foy, B.A., B. Com., Chief Personnel Officer

MINERALS GROUP

CANADA CRUSHED STONE & QUEENSTON QUARRIES

A. J. DeMarchi, Vice-President — Operations
R. M. Lennie, Vice-President — Sales

DISTRIBUTION GROUP

G. G. Dunnigan, B.A., M.B.A.
Vice-President — Distribution Group

VALLANCE BROWN & CO. LIMITED

NORTHERN CANADA SUPPLY, LIMITED

P. S. Pratt, Vice-President & General Manager

FLECK BROS. LIMITED

J. W. Miller, P. Eng., Executive Vice-President

GOUGH & COMPANY LTD.

J. R. Niven, Vice-President & General Manager

MILLS STEEL PRODUCTS LIMITED

P. G. Allanson, Vice-President & General Manager

Steetley Industries Limited

Directors' Report

To the Shareholders of
Steetley Industries Limited

I am pleased to submit on behalf of the Board of Directors the Twenty-fifth Annual Report of the Company including the Consolidated Balance Sheet and related financial statements for the year ended December 31, 1975, together with the auditors' report to the Shareholders.

FINANCIAL

The soft Canadian economy generally in 1975, including particularly depressed trading conditions in Western Canada, halted the year by year record growth in the Company's earnings over the previous five years. However, this difficult year has brought a response from our management which has improved organization, systems, the strict control of overheads and sharpened our planning for future growth. We consider that we are in a good operating position to take full advantage of an upsurge in the economy when it materializes.

Sales of \$75,380,530 were approximately one million dollars below those recorded in 1974 and, of course, considerably less in real terms.

Net earnings for the year after taxes on income and minority shareholders' interest were \$2,143,214 compared with \$3,284,397 recorded in 1974. Earnings per share dropped correspondingly from \$3.46 in 1974 (excluding extraordinary items) to \$2.26 this year.

National Slag, in which your Company has a one-third interest, enjoyed a very satisfactory year paying the same dividend as last year. You will observe from the notes to the financial statements that we are now recording our interest in this joint venture on an equity basis which increased profits over dividends received by \$24,173.

An accounting change was made in our depreciation policy. Previously the Company followed the policy of providing for depreciation generally at the maximum rates deductible for income tax purposes on a diminishing balance basis. However, on this basis the heavy capital expenditure for the new secondary crushing and screening plant at Canada Crushed Stone would have imposed an unrealistically high burden of depreciation on the operations for the year, with a corresponding fall-off in the next few years when capital expenditures might be expected to return to a lower, or more normal, level. Accordingly, a straight line basis of depreciation has been adopted in respect of all capital additions made after January 1, 1975. Maximum allowances will, of course, continue to be claimed for income tax purposes. If this change had not been made, depreciation expense for the year ended December 31, 1975 would have been approximately \$799,000 greater and net earn-

ings after income taxes would have been approximately \$440,000 less.

As noted in last year's Annual Report, we purchased in February 1975 the remaining common shares of Vallance Brown & Co. Limited from the minority shareholders at approximately book value. Vallance Brown is now a wholly owned subsidiary of Steetley.

Interest on long term debt rose from \$139,090 in 1974 to \$975,898 in 1975, due primarily to the \$8,000,000 Debentures issued December 30, 1974. However, short term interest dropped to \$212,000 from \$507,000 in 1974.

Accounts Receivable increased approximately \$1,000,000 from 1974 largely due to much heavier sales in December 1975 compared with December 1974, and to some extent by a delayed effect from the postal strike.

New branches in Alberta and Ontario were mainly responsible for the increase in Inventories over last year of \$800,000.

The Balance Sheet continues to record a very strong and sound financial condition. Working Capital increased by \$1,129,134 to \$17,154,309. Shareholders' Equity at \$18,093,190 represents a book value of \$19.05 per share compared with \$17.52 at the end of 1974.

OPERATIONS

Canada Crushed Stone and Queenston Quarries

Earnings for the Minerals Group were down one-third from last year as a direct result of lower sales tonnages — just over 2,900,000 tons in 1975 compared with 3,600,000 tons shipped in 1974.

As announced earlier, the new secondary crushing and screening plant at Canada Crushed Stone was commissioned in January 1975. This modern plant is operating according to plan, and is well prepared for increased tonnages in the future.

We have been endeavouring, since late 1971, to rezone 34 acres of land at Queenston Quarries to "extractive", which is so necessary for future operations and will extend the quarry life by at least seven years. The Town of Niagara-on-the-Lake has approved rezoning accordingly, but the Ontario Municipal Board Hearing has been deferred pending a report, expected in 1976, by the Niagara Escarpment Commission on future land use on the Escarpment.

Industrial and Electrical Products Distribution

This Group continues to play an important role in Steetley's success, contributing over 75% of total operating earnings compared with 70% in 1974.

Vallance Brown, in September, opened a new Electrical Branch in Toronto to serve the construction industry. In addition, the Board recently approved expenditure for a new Industrial Branch totalling

27,000 sq. ft. on Gage Avenue in Hamilton, with completion scheduled for early Spring. The premises on Shaw Street, vacated by this move, will be remodeled and modernized to expand the existing Electrical Branch.

The Steel Service Centre in Hamilton returned to profit levels more in line with previous years, following an outstanding performance in the exceptional trading conditions of 1974.

Our Western Companies, Fleck Bros. Limited and Gough & Company Ltd., were particularly adversely affected by the sluggish economy in British Columbia compounded by long strikes in the forest and fishing industries.

The new substantial branches opened by Fleck in Calgary and Edmonton are now fully operational and performing according to budget. Fleck increased its export sales and further growth in exports is expected.

Gough & Company performed well in a difficult market; during the year it doubled the size of its Prince George and Kelowna Branches, and is presently expanding at Abbotsford.

We consider that the Distribution Group has more than maintained its position in the market place, producing results which were satisfactory in the prevailing circumstances. It is well geared to expand as the economy improves. We now have thirty-two branches in the Provinces of Ontario, Quebec, Alberta and British Columbia and The Yukon, with more branches planned in 1976.

Mills Steel Products Limited

Depressed construction market demand (except perhaps in the Montreal area) took its toll on Mills' results with operating earnings considerably below those reported in 1974. There are recent signs, however, of improved housing starts and in building permits issued in the industrial and commercial sectors.

A new branch is in the process of being opened in Sarnia. Emphasis is being placed upon new manufactured lines and on expansion of the Scaffold Division where long term prospects look favourable.

DIVIDENDS

Regular quarterly dividends totalling 67½¢ per share, plus a special dividend of 5¢ per share, were paid during the year making a total distribution of 72½¢ per share. A quarterly dividend of 17½¢ per share has been declared for the first quarter of 1976.

BOARD OF DIRECTORS AND MANAGEMENT

At a Directors' Meeting following the Annual General Meeting held in March 1975, Mr. J. Laird was appointed Chairman of the Board, and Mr. J. S. Spearing, President and Chief Executive Officer. Mr. Peter Roberts was elected a Director of the Company.

Two senior appointments were made on January 1, 1976 — Mr. John Gabriel, C.A., previously Corporate Development Manager and who has been with the Company since 1969 in various positions, was promoted to Chief Financial Officer. Mr. David Foy, previously Corporate Personnel Manager, was appointed Chief Personnel Officer.

GOVERNMENT AND BUSINESS

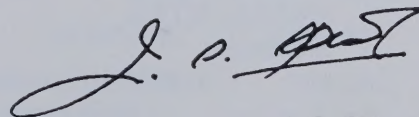
The Federal Government passed, effective October 14, 1975, the Anti-Inflation Act and subsequently issued Regulations which are presently scheduled to remain in force until December 31, 1978. Under this legislation, we are subject to mandatory compliance with controls on revenues, profits, employee compensation and shareholders' dividends. It is too early, due to complexities and uncertainties of the Act and Regulations, to comment on the possible effect on Steetley's operations.

PROSPECTS

Although there are currently some signs of improving activity following better conditions in the United States of America, 1976 is a most difficult year to forecast. There is no doubt that due to continuing high interest rates, inflation and the new Anti-Inflation Act referred to above, the year will represent a challenge to which we shall rise. It is our obligation to comply with the Anti-Inflation Act and yet to structure our activities to present a challenge to our employees and protect the free enterprise system so essential for the growth of your Company and Canada.

We are convinced that our strength for the future lies in the dedication of our employees and sound management planning leading to real growth.

We express to all Steetley's employees our sincere thanks for their support in a trying year and are sure we can rely on their future participation to our mutual success. We also appreciate and acknowledge the help and co-operation of our customers and suppliers throughout 1975.



Hamilton, Ontario
February 27, 1976.

J. S. Spearing
President and
Chief Executive Officer.



Steelley Industries Limited and Subsidiaries

Consolidated Balance Sheet

as at December 31

ASSETS

	1975	1974
Current Assets		
Cash and bank term deposits	\$ 82,819	\$ 546,391
Accounts receivable	13,557,644	12,563,015
Accounts receivable — Parent company	70,575	59,561
Inventories — at the lower of cost or net realizable value	13,787,808	12,940,749
Prepaid expenses	96,800	100,907
	<u>27,595,646</u>	<u>26,210,623</u>
Other Assets		
Investment in corporate joint venture (Note 2(b))	417,911	393,738
Scaffold equipment — at cost less accumulated depreciation	863,322	652,202
Cash surrender value of life insurance	113,853	108,032
Mortgage receivable	30,400	32,120
	<u>1,425,486</u>	<u>1,186,092</u>
Fixed Assets (Notes 2(a) and 4)	<u>8,854,993</u>	<u>8,914,258</u>
	<u>\$ 37,876,125</u>	<u>\$ 36,310,973</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities		
Bank advances	\$ 4,127,647	\$ 2,221,677
Accounts payable and accrued liabilities	5,825,994	6,525,334
Income and other taxes	425,865	1,420,065
Current portion of long-term debt	61,831	18,372
	<u>10,441,337</u>	<u>10,185,448</u>
Other Liabilities		
Deferred income taxes	1,247,800	872,200
Long-term debt (Note 5)	8,093,798	8,160,794
Minority interest in net assets of subsidiary company (Note 6)	—	453,805
Shareholders' Equity		
CAPITAL STOCK		
Authorized		
5,000 6% Cumulative redeemable (at \$105) sinking fund shares of a par value of \$100 each		
1,000,000 Common shares without nominal or par value		
Issued		
950,000 Common shares	95,000	95,000
RETAINED EARNINGS	17,998,190	16,543,726
	<u>18,093,190</u>	<u>16,638,726</u>
	<u>\$ 37,876,125</u>	<u>\$ 36,310,973</u>

SIGNED ON BEHALF OF THE BOARD — J. S. Spearing, *Director*; D. H. Henderson, *Director*

Steetley Industries Limited and Subsidiaries

Consolidated Statement of Earnings and Retained Earnings

for the years ended December 31

	1975	1974
Sales (Note 8)	\$ 75,380,530	\$ 76,396,858
Earnings from operations before the following charges:	5,254,766	7,415,327
Depreciation	1,189,655	950,637
Depletion	24,747	31,140
	1,214,402	981,777
Earnings from operations	4,040,364	6,433,550
Investment income	303,246	247,311
Earnings before taxes on income and minority shareholders' interest	4,343,610	6,680,861
Taxes on income	2,177,500	3,284,000
	2,166,110	3,396,861
Minority shareholders' interest	22,896	112,464
Net Earnings before Extraordinary Items	2,143,214	3,284,397
Extraordinary Items	—	262,269
Net Earnings for the Year (Note 8)	2,143,214	3,546,666
Retained Earnings — Beginning of Year —		
Previously reported	16,162,488	13,168,877
Equity accounting adjustment (Note 2(b))	381,238	369,683
	16,686,940	17,085,226
Dividends — Common	688,750	541,500
Balance — End of Year	\$ 17,998,190	\$ 16,543,726



Steelley Industries Limited and Subsidiaries

Consolidated Statement of Changes in Financial Position

for the years ended December 31

	1975	1974
Source of Funds		
Net earnings before extraordinary items	\$ 2,143,214	\$ 3,284,397
Items not affecting working capital —		
Equity in net earnings of corporate joint venture		
in excess of dividends received	(24,173)	(11,555)
Gain on sale of fixed assets	(12,983)	(282,494)
Depreciation and depletion	1,214,402	981,777
Deferred income taxes	375,600	559,900
Minority interest share of earnings	22,896	112,464
	<u>3,718,956</u>	<u>4,644,489</u>
Extraordinary items	—	262,269
Decrease in mortgage receivable	1,720	116,230
Proceeds on disposal of fixed assets	47,436	438,205
Proceeds on issue of debentures	—	8,000,000
	<u>3,768,112</u>	<u>13,461,193</u>
Use of Funds		
Purchase of shares of subsidiary (Note 6)	464,544	—
Purchase of fixed assets	1,021,191	4,775,227
Net additions to scaffold equipment	379,519	483,291
Increase in cash surrender value of life insurance	5,821	6,894
Payment of bank loan	—	1,325,000
Decrease in mortgages payable	66,996	25,704
Dividends paid to minority shareholders	12,157	57,024
Dividends paid	688,750	541,500
	<u>2,638,978</u>	<u>7,214,640</u>
Increase in Working Capital	<u>1,129,134</u>	<u>6,246,553</u>
Working Capital — Beginning of Year	<u>16,025,175</u>	<u>9,778,622</u>
Working Capital — End of Year	<u>\$ 17,154,309</u>	<u>\$ 16,025,175</u>

Auditors' Report

COOPERS & LYBRAND

CHARTERED ACCOUNTANTS

To The Shareholders,
Steelley Industries Limited

We have examined the consolidated balance sheet of Steelley Industries Limited and subsidiaries as at December 31, 1975 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1975 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles which, except for the matters referred to in Note 2, have been applied on a basis consistent with that of the preceding year.

Hamilton, Ontario
January 28, 1976

Coopers & Lybrand

Steetley Industries Limited and Subsidiaries

Notes to the Consolidated Financial Statements

for the year ended December 31, 1975

1. Significant Accounting Policies

Basis of Consolidation: These financial statements include the accounts of the company and all of its subsidiaries. The investment in a corporate joint venture is accounted for on the equity basis (Note 2(b)).

Depreciation and Depletion: Fixed assets acquired prior to January 1, 1975 are depreciated on the reducing balance basis. The straight line basis of depreciation is used for fixed assets and equipment acquired subsequent to December 31, 1974 (Note 2(a)). Depreciation rates used are intended to write off the cost of the assets over their estimated useful lives.

2. Changes in Accounting Policies

(a) The company has changed its depreciation method from the declining balance to the straight line basis for fixed assets acquired subsequent to December 31, 1974. If this change had not been made, depreciation expense for the year ended December 31, 1975 would have been approximately \$799,000 greater and net earnings after income taxes would have been approximately \$440,000 less. Net earnings per share would have decreased by \$.46 per share.

(b) The company has changed its method of accounting for its investment in a corporate joint venture from the cost basis to the equity basis. This change has been retroactively applied. If this change had not been made, net earnings after income taxes would have been \$24,173 less (1974 — \$11,555). Net earnings per share would have decreased by \$.03 (1974 — \$.01).

3. Anti-inflation Act

The company is subject to restraint of profit margins, prices, dividends and compensation under the terms of the Anti-Inflation Act and Regulations which became effective October 14, 1975 and are scheduled to expire December 31, 1978.

The impact of this legislation on the company's profit margins, prices and compensation arrangements is not presently subject to satisfactory determination because of uncertainties respecting the application to the operations of the company of certain provisions and definitions contained in the Act and Regulations.

The company's present dividend policy of 17½ cents per share quarterly is in compliance with the legislation respecting dividends which is effective until October 13, 1976.

4. Fixed Assets

		1975			1974
	Cost	Accumulated Depletion	Accumulated Depreciation	Net	Net
Land	\$ 479,865	\$ —	\$ —	\$ 479,865	\$ 484,237
Buildings	2,954,651	—	1,218,877	1,735,774	1,730,413
Plant and equipment	14,569,830	—	8,341,593	6,228,237	6,254,542
Leasehold Improvements	114,502	—	79,267	35,235	44,437
	17,638,983	—	9,639,737	7,999,246	8,029,392
Stone quarries	1,202,773	826,891	—	375,882	400,629
	<u>\$19,321,621</u>	<u>\$826,891</u>	<u>\$9,639,737</u>	<u>\$8,854,993</u>	<u>\$8,914,258</u>

5. Long-term Debt

	1975	1974
Mortgages payable	\$ 155,629	\$ 179,166
12% Sinking fund debentures Series A due December 16, 1994 to be retired by principal deposits per annum as follows: 1977-1983, \$350,000; 1984-1988, \$450,000; 1989-1993, \$550,000	8,000,000	8,000,000
	8,155,629	8,179,166
Less: Current portion	61,831	18,372
	<u>\$8,093,798</u>	<u>\$8,160,794</u>

6. Investment in Subsidiary

During the year an additional 14,402 shares of Vallance Brown & Co. Limited were acquired for \$464,544. This subsidiary is now wholly-owned.

7. Comparative Figures

Certain of the 1974 figures have been reclassified to conform with the 1975 financial statement presentation.

8. Statutory Information

(a) Sales by major business classifications are as follows:

	1975	1974
Distribution	\$67,595,430	\$68,421,043
Minerals	7,785,100	7,975,815
	<u>\$75,380,530</u>	<u>\$76,396,858</u>

(b) Remuneration of directors and officers for the year was \$346,483 (1974 — \$263,276).

(c) Interest on long-term debt for the year was \$975,898 (1974 — \$139,090).

(d) Earnings per Common Share:

	1975	1974
Before extraordinary items	\$ 2.26	\$ 3.46
Extraordinary items	—	.27
Net earnings for the year	<u>\$ 2.26</u>	<u>\$ 3.73</u>



Steetley Industries Limited and Subsidiaries

Statistical Summary

Dollars in thousands except per share statistics

	1975	1974	1973	1972	1971	1970	1969	1968	1967
Operating Results									
Sales	\$ 75,381	76,397	60,914	43,734	37,660	19,786	15,881	14,052	6,298
Depreciation & Depletion	\$ 1,214	982	905	874	760	569	483	531	541
Earnings before Taxes	\$ 4,344	6,681	4,330	2,619	2,270	1,719	1,277	1,738	983
Taxes on Income	\$ 2,178	3,284	2,049	1,124	1,039	829	625	904	441
Minority Interest	\$ 23	112	62	38	24	37	38	37	—
Net Earnings									
Before Extraordinary Items	\$ 2,143	3,284	2,219	1,457	1,207	853	614	797	542
Extraordinary Items	\$ —	262	—	—	—	—	—	—	—
Net Earnings	\$ 2,143	3,547	2,219	1,457	1,207	853	614	797	542
Financial Position									
Working Capital	\$ 17,154	16,025	9,779	8,472	7,983	7,690	5,767	5,473	4,472
Property, Plant & Equipment	\$ 8,855	8,914	5,113	4,623	4,315	3,507	2,981	2,864	2,685
Other Assets	\$ 29,021	27,397	22,236	17,733	15,669	12,079	8,199	8,363	5,419
Total Assets	\$ 37,876	36,311	27,349	22,356	19,984	15,586	11,180	11,227	8,104
Long Term & Other Liabilities	\$ 9,341	9,487	2,222	2,189	2,438	2,526	674	667	90
Shareholders' Equity	\$ 18,093	16,639	13,264	11,460	10,345	9,144	8,526	8,126	7,348
Per Share									
Net Income	\$ 2.26	3.73	2.34	1.53	1.27	.90	.65	.84	.57
Dividends	\$.72½	.57	.45	.36	.29	.24	.24	.24	.24
Book Value	\$ 19.05	17.52	13.96	12.06	10.89	9.63	8.97	8.55	7.73

Corporate Information

Head Office Harbour Administration Building
Hamilton, Ontario

Divisions Canada Crushed Stone — Dundas Quarry
Produces high grade dolomite stone for metallurgical, agricultural and commercial uses.

Queenston Quarries — Niagara Falls, Ontario
Produces commercial crushed stone, "Queenston Limestone" building stone, and asphaltic concrete.

Subsidiary Companies Vallance Brown & Co. Limited — Hamilton, Ontario
Distributes industrial, safety and electrical supplies in Southern Ontario. A steel service centre serves Toronto and the Niagara Peninsula.

Northern Canada Supply, Limited — Oshawa, Ontario
Distributes industrial supplies in Northeastern and South-eastern Ontario and Northwestern Quebec.

Fleck Bros. Limited — Vancouver, British Columbia
Distributes industrial, and safety supplies in British Columbia, Alberta and The Yukon.

Gough & Company Ltd. — Vancouver, British Columbia
Distributes electrical supplies in British Columbia and The Yukon.

Mills Steel Products Limited — Hamilton, Ontario
Manufactures and distributes construction structural accessories.

Ritchie Cut Stone Holdings Limited — Hamilton, Ontario
An investment holding company.

Associated Company National Slag Limited — Hamilton, Ontario
Processes blast furnace slag into aggregates for road construction and civil engineering.

Registrar and Transfer Agents National Trust Company Limited — Toronto, Ontario

Auditors Coopers & Lybrand

